



October 19, 2023

Secretary Vanessa A. Countryman
Securities and Exchange Commission
100 F Street NW
Washington D.C. 20549

Re: Comments from Coalition for Renewable Natural Gas on “The Enhancement and Standardization of Climate-Related Disclosures for Investors” (File No: S7-10-22)

Dear Secretary Countryman,

Below please find comments from the RNG Coalition concerning “The Enhancement and Standardization of Climate-Related Disclosures for Investors” and recommendations on the proposed rule.

Our organization represents 390+ members with business throughout the value chain of waste feedstock conversion to end-uses. We advocate for the sustainable development, deployment and utilization of renewable natural gas (RNG), clean hydrogen, and renewable CO₂, both as primary energy resources and as platform molecules for other fuels and products. Our membership includes, but is not limited to, renewable energy developers; waste collection, management, and recycling companies; gas/power marketers and transporters; and end-users across various sectors of the economy.

RNG provides the greatest near-term decarbonization opportunity of any renewable fuel. It is derived from the capture, cleaning, and conditioning of surface-level emissions from organic waste, including food waste, animal manure, and wastewater sludge. Methane that would have emitted into the atmosphere is refined into a clean, reliable energy resource that achieves standards necessary to blend with or substitute for geologic natural gas.

Historically, roughly 80% of RNG demand has been from the transportation sector where it is sold as renewable compressed or liquefied natural gas. Based on California Air Resources Board data, we estimate RNG use in transportation displaced 3.8 million metric tons of CO₂ equivalent in 2021, equivalent to removing CO₂ emissions from roughly 427 million gallons of gasoline consumed. RNG is increasingly being used to decarbonize other natural gas uses, including power generation, gas distribution, and commercial and industrial sectors. RNG can be used to produce other energy carriers such as clean hydrogen, sustainable aviation fuel, and biomethanol. Biogenic CO₂, a byproduct of RNG production, can be used for commercial applications, including food and beverage production. In addition to its role as a primary energy carrier, hydrogen can be combined with biogenic CO₂ to create other fuels and products.

The U.S. Environmental Protection Agency’s (EPA) Renewable Fuel Standard (RFS) and low carbon fuel standard (LCFS) programs in California, Oregon, and Washington are driving RNG investment. To participate in these programs, our industry uses a derivative of the Department of Energy’s widely accepted and accredited Argonne National Lab’s GREET model to measure lifecycle emissions. The GREET model is also statutorily required to determine emissions reductions for several clean energy tax incentives under the Inflation Reduction Act (IRA).

Roughly 95% of RNG is transported from its point of production to its end user via existing natural gas infrastructure, using a procurement or delivery system called “book-and-claim” which has driven the expansion of solar and wind-generated electricity. Energy procurement via “book-and-claim” systems, based on the

transfer of certificates verifying a fuel or feedstock volume's environmental attributes (EAs), is the foundation of clean energy markets, including where renewable gases are utilized as inputs to other fuels and products such as clean hydrogen and sustainable aviation fuel, in alignment with the IRA. It is crucial to channeling investment into low-carbon energy and thus accelerating cross-sectoral decarbonization. The EPA RFS and state LCFS programs, many state-level renewable gas and clean heat standard policies, European renewable gas policies, and voluntary market transactions all employ some form of "book-and-claim" system with strict recordkeeping requirements for the transaction of RNG and its associated EAs.

RNG considerations with the Proposed Climate Disclosure Rule

RNG Coalition members are uncertain whether the proposed rule will permit them to utilize industry standard emissions measurement models, such as the Argonne GREET model, or procure energy via "book-and-claim" systems (sometimes referred to as market-based mechanisms), to account for the emissions they prevent by purchasing RNG. The SEC could resolve this issue, which is creating uncertainty in the marketplace, by explicitly affirming that companies may utilize the GREET model and market-based mechanisms to measure the impact of purchased RNG when they report their emissions. This would be consistent with the rule's intent to offer "some flexibility in the choice of GHG emissions methodologies." This simple clarification can unlock RNG investment that enables significant emissions reductions. Decomposing organic wastes account for 30% of anthropogenic U.S. methane emissions; RNG production potential is at least 10 times greater than current production and many sectors will require renewable molecules as an input for decarbonization. Realizing this potential by capturing the methane emissions from half of U.S. organic waste and transforming the emissions into renewable gas could cut methane emissions by 15%, getting the U.S. halfway to fulfilling its commitment under the Global Methane Pledge to reduce methane emissions by at least 30% by 2030 from 2020 levels.

RNG Coalition's Policy Recommendation

RNG Coalition recommends that the SEC's final rule should (1) explicitly include the Argonne National Lab's GREET model as an option for measuring and reporting lifecycle emissions for energy and/or various process inputs, and (2) clearly state that companies may reflect purchased energy within their GHG inventories, so long as such energy was delivered into a common carrier system. These statements are consistent with GHG accounting standards that exist at the federal level for RNG under the IRA statute and the EPA RFS, as well as all major state and international energy procurement standards.

These clarifications can catalyze investment in the development, deployment and use of RNG and other renewable gases, fuels, and products that would accelerate significant methane abatement and recycling.

We appreciate your consideration and would welcome the opportunity to discuss the topic further.

Respectfully Submitted,

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Coalition for Renewable Natural Gas